



United States  
Department of  
Agriculture

Farmers  
Home  
Administration

Washington  
D.C.  
20250

FmHA AN No. 902 (1962)

September 20, 1983

SUBJECT: Administrative Setoffs

TO: All State Directors, Farmer Program Chiefs,  
District Directors, and County Supervisors

Setoffs (offsets) under Section 1962.48 of FmHA Instruction 1962-A, "Servicing and Liquidation of Chattel Security," are no longer legally permitted.

On October 25, 1982, the President signed P.L. 97-365 amending 31 U.S.C. 954 dealing with administrative setoffs. FmHA must stop collecting debts by administrative setoffs until its regulations can be amended to comply with the new law's requirements.

Section 1962.48 will have to be completely rewritten to include the requirements of P.L. 97-365. Form letters to the debtor and to the agency owing money to the FmHA will have to be developed.

Administrative setoffs taken on or after October 25, 1982, including future payments, will be cancelled. For those setoffs which were enacted before October 25, 1982, you will continue to collect as per your agreement.

Until further notice, you will abide by this AN. If any problems occur or you have any questions regarding administrative setoffs, State Directors should contact Farm Real Estate and Production Division for advice and assistance.

CHARLES W. SHUMAN  
Administrator

EXPIRATION DATE: August 31, 1984

FILING INSTRUCTION PRECEDING  
FmHA Instruction 1962-A



Farmers Home Administration is an Equal Opportunity Lender.  
Complaints of discrimination should be sent to:  
Secretary of Agriculture, Washington, D.C. 20250